

0312

Incoming
6/07/0013 *PK*

From: David Darby
To: Jaymarsh@castlenet.com
Date: 10/19/2007 5:28 PM
Subject: Lila Canyon water monitoring forth quarter 2007

CC: Mary Ann Wright; Pam Grubaugh-Littig
Jay,

Per our discussions, there has been a question as to when UEI should commence water monitoring at Lila Canyon Mine. The Division sent you a letter on August 3, 2007 (clarified permit conditions), which stated "operational water monitoring should begin when UEI intends to begin work".

You also mentioned there is an agreement between SUWA and UEI to delay construction activities until the Board of Oil, Gas and Mining makes a finding on the issue of a Stay of the Permit. Due to this fact, you believe that operational water monitoring should not begin until construction activities are initiated and could take a long time to resolve. You also maintain that no mining impacts would occur during this interim time period, because no work has begun. Installation of the survey stakes at the surface facilities by UEI constitute the intent to do work.

And, at this point in time, there is no "Stay" and UEI should begin operational water monitoring in the fourth quarter of 2007.

Dave

O:\007013.HOR\Draft\email UEI begin h20 monitoring.doc